



## International Sugar Organization

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### EXECUTIVE DIRECTOR

Press Release(22)26  
(English only)

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### Various sugar related articles

The Executive Director would like to draw your attention to the articles below all of which are relevant to the sugar sector.

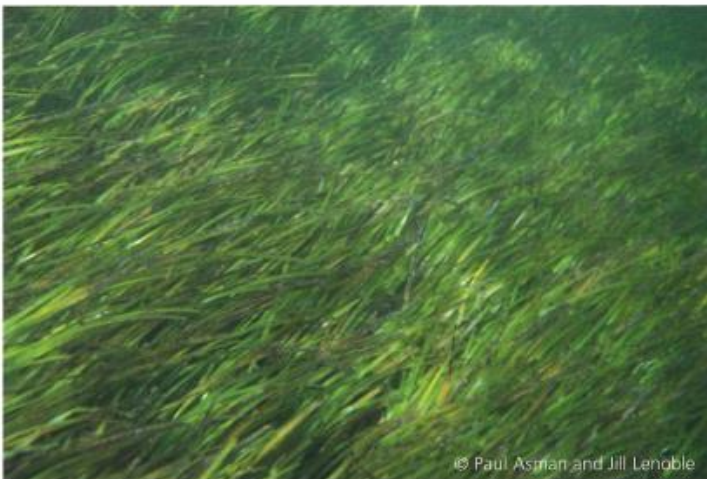
### Sugar Industry

#### \* Max Planck Institute discovers sugar at the bottom of the sea \*

Scientists from the Max Planck Institute for Marine Microbiology (Bremen, Germany) have reported that seagrasses release large amounts of sugar, largely in the form of sucrose, into their soils – worldwide more than 1 mn t of sucrose. Normally, microorganisms quickly consume any free sugars in their environment; however, scientists found that seagrasses excrete phenolic compounds deterring most microorganisms from degrading the sucrose. This ensures that the sucrose remains buried underneath the meadows and cannot be converted into CO<sub>2</sub> and returned to the ocean and atmosphere. They now describe

Microbiology. "That is roughly comparable to the amount of sugar in 32 bn cans of coke!".

First author Maggie Sogin, who led the research off the Italian island of Elba and at the Max Planck Institute for Marine Microbiology, said, "What we realized is that seagrass, like many other plants, release phenolic compounds to their sediments. Red wine, coffee and fruits are full of phenolics, and many people take them as health supplements. What is less well known is that phenolics are antimicrobials and inhibit the metabolism of most microorganisms. In our experiments we added phenolics isolated from sea-



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their discovery in the journal *Nature Ecology & Evolution*.

Scientists recalled that seagrass are one of the most efficient global sinks of carbon dioxide on Earth: One square kilometer of seagrass stores almost twice as much carbon as forests on land, and 35 times as fast. Sugar concentrations underneath the seagrass were at least 80 times higher than previously measured in marine environments. "To put this into perspective: We estimate that worldwide there are between 0.6 and 1.3 mn t of sugar, mainly in the form of sucrose, in the seagrass rhizosphere," said Manuel Liebeke, head of the Research Group Metabolic Interactions at the Max Planck Institute for Marine

grass to the microorganisms in the seagrass rhizosphere – and indeed, much less sucrose was consumed compared to when no phenolics were present." Nicole Dubilier, Director at the Max Planck Institute for Marine Microbiology explained why sugar is released in the rhizosphere. "Seagrasses produce sugar during photo-synthesis. Under average light conditions, these plants use most of the sugars they produce for their own metabolism and growth. But under high light conditions, for example at midday or during the summer, the plants produce more sugar than they can use or store. Then – she concluded – they release the excess sucrose into their rhizosphere. Think of it as an overflow valve".

## Sugaronline EBriefing

### **AUSTRALIA: Canegrowers group celebrates new roadmap for sugar industry**

Australian sugarcane growers association Canegrowers said in a statement on July 6 that it was ready and willing to lead the way to a more profitable and diversified future for sugarcane outlined in a new roadmap launched by the sugar sector in the country, reports Sugaronline.

Australia's sugar industry has worked together to prepare the Sugar Plus vision and roadmap, released at the Developing Northern Australia Conference this week, to support the sector's plan to lead bioeconomy development in the country.

"This document has been two and a half years in the making. It is exciting as a cane grower to be at the starting point of a new chapter in our sugarcane industry's story," said the chairman of Canegrowers Owen Menkens.

"We are ready to lead the transition, working with existing and new investors."

He said that the sugarcane crop has huge potential to be the raw material for products such as biofuels and bioplastics.

"This roadmap points the way, outlining priorities and actions which the whole supply chain has agreed to," said Menkens.

"Canegrowers will be representing the interests of growers in a series of working groups, which will be tasked with making the vision a reality."

### **AUSTRIA: Agrana expects a significant profit rise in 2022/23**

Agrana said on July 7 that it expects "a very significant" increase in operating profit (EBIT) in the 2022/23 financial year, after reporting improved earnings in the first quarter, reports Sugaronline.

"Group revenue is projected to show significant growth. This forecast is based on the assumption that the war in Ukraine is temporary and remains regionally limited, that the physical supplies of energy and raw materials are ensured and that the Group's target markets and procurement markets partially return to normal within the 2022|23 financial year," the company said in a statement.

The fruit, starch and sugar company also expects and assumes that it will be able to pass on the significant price increases (seen especially in raw materials and energy) through new customer contracts. Total investment across the group this year, at approximately EUR115 million (US\$117

million), is to exceed the 2021|22 level, while running below this year's budgeted depreciation of about EUR120 million (US\$122.1 million).

### **EU: EC sees sugar production down 5% in 2022/23 to 15.8 million T**

The European Commission (EC) expects Europe's sugar production to drop by 5% in the 2022/23 season to 15.8 million metric tonnes, according to the Short-Term Outlook for EU Agricultural Markets report released on July 7, reports Sugaronline.

Sugar production should remain in line with a 5-year average and stocks are at a sufficient level, according to the EU. The 2022/23 EU sugar marketing season is expected to start with beginning stocks of 1.9 million tonnes, 58% above last season. In 2021/22, EU sugar production reached 16.65 million tonnes, up 14.5% from the previous season and above a 5-year average, helping ending sugar stocks recover.

EU sugar consumption should remain stable, as the number of consumers has increased following the arrival of Ukrainian refugees and despite a long-term trend of decreasing per capita consumption due to consumers switching to less sugar intense diets.

Sugar beet production is estimated at 108.1 million tonnes in 2022/23, down 5% from 2021/22, impacted by a 2.4% decrease in the crop area to 1.45 million ha, amid tough competition from other high-priced arable crops, including cereals.

"The sowing season was generally favorable with only a limited number of re-sowing needed due to few events of spring frosts. As generally dry conditions during the sowing and the early part of the growing season were observed, the sugar beet yields are estimated at 74.3 t/ha (2.6% below the previous season)," the EU said in the report.

### **US: Michigan Sugar CEO announces retirement**

Michigan Sugar announced on July 6 that its president and Chief Executive Officer (CEO) Mark Flegenheimer has decided to retire after 40 years serving the sugar industry, reports Sugaronline.

The Michigan Sugar Company Board of Directors has retained the national search firm Kincannon & Reed to search for a new president and CEO.

"Flegenheimer will remain in his position until his replacement is on board, but over the next two months, he will transition to focusing primarily on national trade and marketing issues," the company said in a statement.

As part of the transition, Jim Ruhlman has been named Chief Operating Officer (COO) and will oversee the company's day-to-day operations. Ruhlman is a graduate of Saginaw Valley State University and joined Michigan Sugar in 1983. In recent years, as Executive Vice President, he has overseen the Agriculture and Information Technology departments, as well as Packaging and Warehousing.

Flegenheimer began his career with Michigan Sugar in 1994 as Vice President of Administration. He became president and CEO in 1998, following in the footsteps of his father, Ernest Flegenheimer, who served as Michigan Sugar Company president and CEO from 1963 to 1993, and his grandfather Albert Flegenheimer, who served as Chairman of the Board from 1963 to 1970.

"It has been an honor and privilege to work in this industry and for Michigan Sugar Company," said Flegenheimer. "I was fortunate to grow up in this business and to follow in the footsteps of two industry giants – my grandfather and my father. I also have been fortunate to have worked alongside so many world-class grower-owners and employees whose dedication and passion for the sugarbeet industry is second to none."

Michigan Sugar Company Chairman James Roggenbuck said that under Mark's leadership, Michigan Sugar Company became a grower-owned cooperative in 2002 and two years later merged with Monitor Sugar Company to form the company that exists today.

## EUROPE: Soft drinks industry achieves 17.7% cut in average added sugars

The European soft drinks sector has achieved a 17.7% reduction in average added sugars since 2015, according to the association representing the sector UNESDA Soft Drinks, reports Sugaronline.

“Just one year after releasing ambitious new health and nutrition commitments, UNESDA Soft Drinks Europe announces that the European soft drinks sector has delivered a further 3.6% reduction in average added sugars between 2019 and 2021,” the group said in a statement on June 29.

This new sugar reduction milestone is part of the sector’s most recent commitment to reduce average added sugars in its beverages by another 10% in the EU27 and the UK between 2019 and 2025, under the umbrella of the EU Farm to Fork Strategy and its Code of Conduct on Responsible Food Business and Marketing Practices.

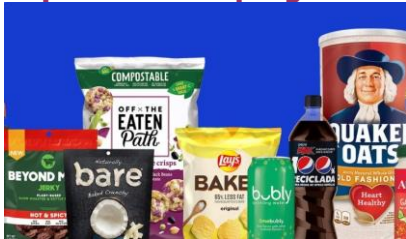
The president of UNESDA Soft Drinks Europe and Senior Vice-President and Chief Marketing Officer for PepsiCo in Europe, Ian Ellington, said these results demonstrate the industry’s commitment to encouraging consumers towards healthier drink options by offering them more no- and low-calorie products.

Europe’s soft drinks sector has achieved an average market share of over 29% of no and low-calorie products in Europe, with some markets as high as 40-50%, according to UNESDA.

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## FoodNavigator.com

### PepsiCo makes progress on regenerative agriculture and nutrition commitments



PepsiCo has made progress in a number of areas of its business around regenerative agriculture and nutrition targets under its PepsiCo Positive (pep+) plan, the company's ESG program launched last year.

<https://www.foodnavigator-usa.com/article/2022/07/11/pepsico-makes-progress-on-regenerative-agriculture-and-nutrition-commitments>

### PepsiCo braces for higher inflation, elasticity shift even as it beats sales expectations



Even though PepsiCo beat Wall Street expectations in its second quarter and saw organic revenue growth soar 13%, prompting it to bump-up its full-year revenue expectations, the beverage and snack giant stopped short of also raising its earnings per share for 2022 – preferring instead to build in an extra buffer for rising inflation and ongoing economic volatility.

<https://www.foodnavigator-usa.com/article/2022/07/12/pepsico-braces-for-higher-inflation-elasticity-shift-even-as-it-beats-sales-expectations>